

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6591**

**BILL NUMBER:** SB 591

**NOTE PREPARED:** Jan 24, 2011

**BILL AMENDED:**

**SUBJECT:** Resident Tuition for Certain Nonresident Students.

**FIRST AUTHOR:** Sen. Zakas

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill allows the Commission for Higher Education to authorize a regional campus of Indiana University or Purdue University that is located in a county adjacent to another state to charge resident tuition to certain residents of the adjacent state without the Commission for Higher Education (CHE) being required to enter into a reciprocal resident tuition agreement with the adjacent state.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) Subject to appropriations, the bill could increase state expenditures for higher education if the number of resident students increased. The state currently provides an adjustment for state institutions with a history of growth. The adjustment is based on a four-year rolling average. The adjustment for enrollment change recommended by CHE is about \$1,026 per student for FY 2012 and FY 2013. The enrollment change calculation does not apply to Indiana University - Bloomington or Purdue University - West Lafayette. The impact on expenditures would probably be minor.

The bill could also impact the tuition and fee reimbursement paid by the State Student Assistance Commission, "SSAC", for children of veterans program. Residency in the program is determined by whether the student pays in-state tuition and fees so the bill could increase the amount of tuition and fee reimbursement. The average reimbursement in FY 2008-2009 was about \$3,693. It is unknown how many additional students might be added to the program and would also be subject to appropriation levels.

**Explanation of State Revenues:** Universities could experience either a decrease in fee revenue if the student would have attended the institution at the nonresident fee rate or an increase in revenue if the student would not have attended the institution. The difference in resident tuition and nonresident tuition ranges from

\$5,200 to \$17,000, depending on the state institution. The cost of resident tuition and fees among state educational institutions varies from about \$3,100 to \$9,100 per year.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Regional campuses of Indiana University or Purdue University in border counties.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.